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RUEHLM/AMEMBASSY COLOMBO 0656  
RUEHJA/AMEMBASSY JAKARTA 5556  
RUEHGP/AMEMBASSY SINGAPORE 1809  
RUEHDN/AMCONSUL SYDNEY 5032  
RUEHPT/AMCONSUL PERTH 5033  
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C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 000995

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TAGS: [PREF](#) [SMIG](#) [PHUM](#) [ID](#) [AS](#)

SUBJECT: AUSTRALIA-INDONESIA: MOVING BEYOND ASYLUM SEEKERS

REF: A. JAKARTA 1793  
[1](#)B. CANBERRA 949  
[1](#)C. CANBERRA 945  
[1](#)D. CANBERRA 934

Classified By: Political/Economic Counselor Edgard Kagan, for reasons 1  
.4 (b),(d)

[1](#)1. (C/NF) Summary: During a recent visit to Jakarta, Prime Minister Rudd told Indonesian President Yudhoyono that Australia is committed to working with Indonesia on a number of regional and global issues. Australia believes Indonesia sees itself as a leading regional actor that wants to be more engaged in the international community but recognizes its capacity limitations. Rudd and Yudhoyono agreed to work together to find solutions to the current asylum seeker issue (reftels) as well as the broader people smuggling problem. Australia is looking to host President Yudhoyono for a more substantive bilateral meeting sometime in late November, after - it hopes - the asylum seeker issue has quieted. End Summary.

#### Opportunities for Engagement

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[1](#)2. (C/NF) Prime Minister and Cabinet International Division First Assistant Secretary Patrick Suckling said that Rudd told Yudhoyono during Rudd's recent Jakarta visit that Australia wanted to take its relationship to the next level, including signing a free trade agreement and building on the 2006 Lombok Treaty to expand security and counterterrorism cooperation. Australia is very happy with the great strides in the bilateral relationship and wants to support Indonesia to make sure it continues to be a valuable player in the region. Suckling, who accompanied Rudd to Jakarta, said Indonesia sees itself as a growing power that is moving beyond ASEAN. According to Suckling, Indonesia wants to be constructive on substantive issues including climate change and the G20 but it does not have the institutional capacity to implement policy changes. It would need help from Australia, the U.S. and others in the international community. Australia would like to see greater U.S.-Indonesian engagement. Suckling said Rudd sees Indonesia as an emerging market counterweight to China and India.

[1](#)3. (C/NF) Suckling described the recent high profile asylum seeker issue as one in which Indonesia needs support from the

international community. Australia believes the international community needs to address the problem more comprehensively - to work with countries of origins (Sri Lanka, Afghanistan, Iraq) to ease pressures that motivate people to leave, and with countries of transit to close down smuggling networks.

Yudhoyono to Visit Australia  
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¶4. (C/NF) Dave Sharma, Indonesia desk director at the Department of Foreign Affairs and Trade told us that President Yudhoyono will likely visit Australia in late November, although no public announcement has been made. Sharma indicated the agenda would include the free trade agreement, climate change and possibly more Australian assistance to strengthen the Indonesian education system and electoral process. The asylum seeker issue will also be discussed, but Sharma hoped the current domestic political fracas would ebb by late November so that the two countries could get on with real business.  
Qcould get on with real business.

Bilateral Relationship  
Will Weather this Storm  
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¶5. (C/NF) Comment: Relations between Australia and Indonesia have deepened significantly in the last few years and Australia is grateful for Indonesia's increased cooperation. The asylum seeker issue represents more of a hot button domestic political issue - driven by an opposition party

CANBERRA 00000995 002 OF 002

searching for an issue on which to criticize the government - than a real problem in the bilateral relationship. The absolute number of asylum seekers, roughly 1800 in 2009, remains very small compared to overall immigration numbers. While the domestic Australian debate over asylum seekers has placed Prime Minister Rudd in a political fix, it will not change Canberra's commitment to further strengthening its relationship with Jakarta. End Comment.

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